

# building BETTER LIVES

A Briefing Paper

## WorkFirst Results

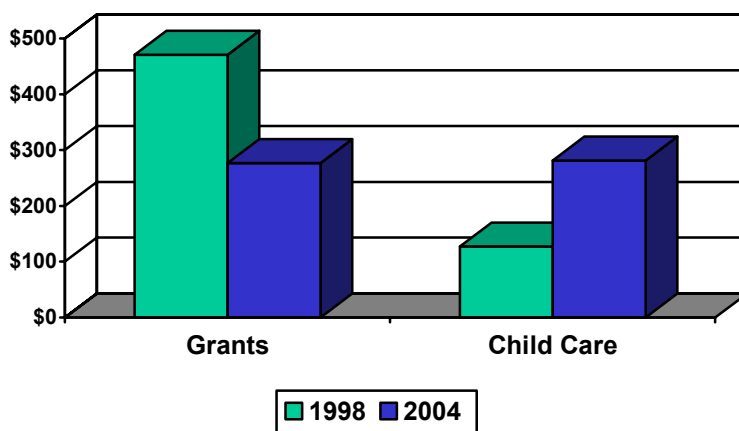
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### How does WorkFirst make a difference?

**WorkFirst helps families.** Parents in WorkFirst are more likely to leave welfare, gain employment, have higher earnings and work more hours than those under the previous Aid to Families with Dependent Children (AFDC) program.

Research led by the University of Washington showed that 80 percent of surveyed WorkFirst families left welfare within the first three years of the study. Seventy-two percent of those surveyed had a positive impression of the program and most believed it was helpful in promoting self-sufficiency.

**WorkFirst makes better use of taxpayer dollars.** State spending on welfare grants has been cut by 43 percent under WorkFirst, going from \$477 million in 1998 to \$276 million in Fiscal Year 2004. Meanwhile, state investments in child care for working families have almost tripled since 1997, now totaling \$281 million annually. The chart below illustrates monthly spending on welfare grants and child care subsidies.



### What specific results has WorkFirst shown?

- WorkFirst parents are always financially better off working because half of their job earnings are not counted as income against cash assistance. A recent study showed that those who worked made an average of \$23,500 in wages and benefits – more than double the income of those who only collected welfare.
- WorkFirst's Job Search program improves employment rates and earnings. Among parents with work experience, those who participated in Job Search activities earned \$474 more in the quarter after beginning WorkFirst than did others.

### WASHINGTON WorkFirst

- The number of families on welfare in Washington has dropped 41% -- from nearly 96,000 in 1997 to about 57,000 in December 2004.
- The caseload has stayed stable through the recession of the last two years.
- More than 146,000 parents have left welfare and stayed off since WorkFirst began. In 2003 alone, more than 10,000 parents left welfare for work.
- The proportion of people now on welfare in Washington is at lowest point in over 30 years.
- The birth rate among welfare clients has declined by one-third in the last eight years.
- More working families in Washington than ever are taking advantage of federal tax credits. Nearly 335,000 households received the Earned Income Tax Credit for 2003, bringing more than \$539 million to Washington -- \$854,000 more than the previous year.

## **WorkFirst Results**

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- The Targeted Wage Initiative has increased the average entry-level wage to \$8.88 per hour, up from \$8.50 a year ago, and 68 percent of those going to work enter jobs of at least 32 hours per week.
- Parents who combined training and employment earned higher wages than those who did not. WorkFirst parents who participated in full-time, short-term pre-employment training earned an average starting wage of \$9.86 per hour in 2003 – almost \$1.50 more than the average wage for all welfare recipients.
- WorkFirst's call center, which provides job retention and job search services for up to one year after parents leave welfare, increased family earnings an estimated \$250 or more per quarter, or nearly \$2,000 over two years.
- Among low-income students who received tuition assistance, 85 percent were employed in the third quarter after training with median quarterly earnings of \$4,765. When low-income, welfare and former welfare parents were provided tuition assistance to attend college while they worked, 45 percent increased their earnings by at least 10 percent the first year after training. Employment and earnings increased as participants increased their levels of education.
- Community Jobs provides temporary, subsidized work and support services for WorkFirst parents with multiple barriers to employment. Sixty-four percent of those in the program find gainful employment. Of those, 75 percent find work within six months of program completion. Those who completed the program earned a median wage of \$8.19 per hour two years later.
- Community Jobs increased the likelihood of employment by 33 percent and raised earnings an average of \$792 per quarter after completion of the program.
- Child support helps WorkFirst families increase their income. They can receive child support services such as collection, support order enforcement, and paternity establishment. Last year, more than \$294 million in child support payments were collected on behalf of current and former WorkFirst parents.

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For more information about the  
WorkFirst program, visit

[www.workfirst.wa.gov](http://www.workfirst.wa.gov)

**A Job,  
A Better Job,  
A Better Life**

